



# STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES  
EUGENE I. GESSOW, DIRECTOR

October 17, 2008

## GENERAL LETTER NO. 13-G-31

ISSUED BY: Bureau of Financial and Work Supports,  
Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 13, Chapter G, **CHILD CARE ASSISTANCE**,  
Contents (page 2), revised; pages 31 through 34, revised.

### Summary

This chapter is revised to add income exclusions for:

- ◆ Earnings of a child age 18 or younger who is a full-time student, and
- ◆ Earnings received by temporary workers for the Bureau of Census.

### Effective Date

November 1, 2008

### Material Superseded

Remove the following pages from Employees' Manual, Title 13, Chapter G, and destroy them:

<u>Page</u>	<u>Date</u>
Contents (page 2)	August 8, 2008
31-34	August 8, 2008

### Additional Information

Refer questions about this general letter to your service area manager, income maintenance administrator, or Iowa Workforce Development coordinator.

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- ◆ **Net rental income or royalties:** Include receipts from boarders or lodgers and net royalties and net income from rental of a house, store, or other property to others. "Net rental income" is that income remaining after expenses such as taxes, interest, or borrowed principal to purchase property, insurance, and upkeep of the property.

- ◆ **Net income from farm self-employment:** Include gross receipts minus operating expenses from a person's operation of a farm as an owner, renter, or sharecropper. "Gross receipts" include:

- The value of all products sold.
- Payments from government loan programs.
- Money received from the rental of farm equipment to others.
- Incidental receipts from the sale of wood, sand, gravel, etc.
- Money received from farm property if payment is based on a percentage of crops produced

"Operating expenses" include costs of feed, fertilizer, seed and other farming supplies, cash wages paid to farmhands, cash rent, interest on farm mortgages, farm building repairs, and farm taxes (not state and federal personal income taxes). The value of fuel, food, or other farm products used for family living is not included as part of net income.

NOTE: Do not offset the loss from one self-employment enterprise against the profit of another self-employment enterprise or any other earned or unearned income the household has.

- ◆ **Net income from nonfarm self-employment:** Include gross receipts minus expenses from a family member's own business, professional enterprise, or partnership. "Gross receipts" include the value of all goods sold and services rendered.

"Expenses" include cost of goods purchased, rent, heat, lights, power, wages and salaries paid, business taxes (not personal income taxes), and similar costs. The value of saleable merchandise consumed by the proprietors of retail stores is not included as part of net income.

NOTE: Do not offset the loss from one self-employment enterprise against the profit of another self-employment enterprise or any other earned or unearned income the household has.

- ◆ **Pensions and annuities:** Include pensions or retirement benefits paid to a retired person or the person's survivors by a former employer or by a union, either directly or through an insurance company; periodic receipts from annuities or insurance.

- ◆ **Permanent disability insurance:** Include Social Security Disability Insurance (SSDI) payments made by the Social Security Administration, before deductions for medical insurance.
- ◆ **Public assistance or welfare payments:** Include public assistance payments, such as FIP, State Supplementary Assistance, general assistance, and cash payments received under the FIP Diversion program and the statewide Family Self-Sufficiency Grant program.
- ◆ **Railroad retirement insurance:** Include checks from the U.S. Government.
- ◆ **Social Security:** Include Social Security pensions and survivors benefits
- ◆ **Strike pay:** Include strike benefits received from union funds.
- ◆ **Supplemental Security Income:** Include federal, state, and local welfare agency payments to low-income people.
- ◆ **Unemployment compensation:** Include compensation received from government insurance agencies or private companies during periods of unemployment.
- ◆ **Veterans benefits:** Include all monies paid to or on behalf of a family member because of veteran status as income, regardless of the purpose of the payments. Include money paid periodically by Veterans Affairs to disabled members of the armed forces or to survivors of deceased veterans for education and on-the-job training, as well as so-called "refunds" paid to ex-service persons as GI insurance premiums.
- ◆ **Workers compensation:** Include compensation received periodically from private insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not by the person.
- ◆ **Work study.**

#### **Excluded Income**

**Legal reference:** 441 IAC 170.2(1)

"Total gross income" equals the amount of countable income minus any excluded income. Use the total gross income amount to determine eligibility for Child Care Assistance (CCA) (see [Financial Eligibility](#)) and to determine whether the family will be responsible for paying a portion of the child care costs (see [Fee Schedule](#)).

Exclude the following types of income from the computation of monthly gross income:

- ◆ Earnings of a child 14 years of age or under.
- ◆ Earnings of a child 18 years of age or under who is a full-time student. Assume a child 17 and under is a full-time student unless you have information otherwise. Treat the income of a minor parent in the same way as any other parent.
- ◆ Payments or earnings received by any youth under the Workforce Investment Act (WIA).
- ◆ The first \$65 and 50% of the remainder of income earned at a sheltered workshop or work activity center.
- ◆ The income of the parents with whom a teen parent resides if the application is for the teen parent's child.
- ◆ The income spent on any regular, ongoing cost that is specific to a child's disability. Note: A family must be applying for CCA for the special needs child in order to exclude this income.
- ◆ Payment from the Iowa Individual Assistance Grant Program (IIAGP).
- ◆ Loans and grants, such as scholarships, or gifts that are:
  - Obtained and used under conditions that preclude their use for current living costs, or
  - Made or insured under the Higher Education Act to any undergraduate student for educational purposes.
- ◆ Capital gains and money received from sale of property, such as stocks, bonds, a house, or a car. (NOTE: If the person is engaged in the **business** of selling such property, the proceeds are counted as income from self-employment.)
- ◆ Lump-sum inheritances or insurance payments or settlements, such as (but not limited to):
  - Per capita payment to, or funds held in trust for, any person in satisfaction of a judgment of the Indian Claims Commission or the Court of Claims.
  - Payments made pursuant to the Alaska Native Claims Settlement Act, to the extent such payments are exempt from taxation under Section 21(a) of the Act.

- Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies of 1970.
- Agent Orange Settlement payments.
- ◆ Use of personal resources, such as:
  - Withdrawals of bank deposits.
  - Tax refunds.
  - Home produce used for household consumption.
- ◆ Payments from the Low-Income Home Energy Assistance Program.
- ◆ Certain public assistance income, including:
  - The value of the benefit allotment in the Food Assistance program.
  - The value of United States Department of Agriculture donated foods.
  - The value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food program for children under the National School Lunch Act, as amended.
  - The value of payments to vendors or vouchers under the FIP Diversion program and the statewide Family Self-Sufficiency Grant program.
  - Adoption subsidy payment received from the Department.
- ◆ Stipends received by persons for participating in the Foster Grandparent program under Public Law 93-113, Section 418, Part B.
- ◆ Public housing subsidies.
- ◆ Monies received under the federal Social Security Persons Achieving Self-Sufficiency program or the Income-Related Work Expenses program.
- ◆ Monies from federal or state earned income tax credit, whether received with regular paychecks or as a lump sum included with the tax refund.
- ◆ Reimbursements from an employer for job-related expense.
- ◆ Stipends from the preparation for adult living (PAL) program.
- ◆ Payments from the subsidized guardianship waiver program.
- ◆ The living allowance payments made to participants in the AmeriCorps\*VISTA program, as long as the director of ACTION determines the value of all such payments is less than minimum wage.
- ◆ Census earnings received by temporary workers from the Bureau of Census.